

Geostrategic Analysis

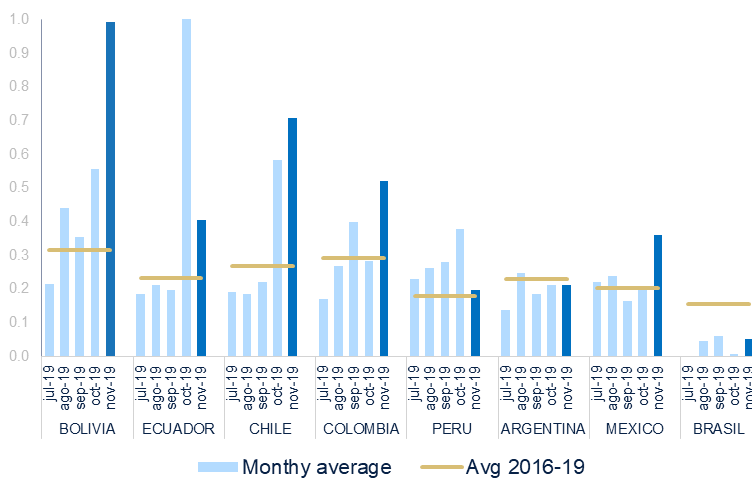
Geo-World: Conflict & Protest November

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The protests in Iraq, Lebanon and Iran against government policies triggered questions about the regional stability. Western leaders will meet in NATO summit in London on December 3-4, which could be crucial in terms of resolving differences among the allies. Meanwhile, Prime Minister Boris Johnson vowed to set a parliamentary voting on Brexit just after the December general elections. Hong Kong pro-democracy candidates gained huge victory in local elections. U.S. began bringing more political support to Hong Kong protestors. U.S.-China trade talks still have some difficulties. Social unrest in Latin America intensified in some countries and they should be closely monitored.

Political instability is on the rise in already fragile parts of the world.

Figure 1. **BBVA Research Political Stress Index Jul – Nov 2019** (normalized between 0 and 1 for the period 2016-19)



Source: BBVA Research & www.gdelt.org.

Social instability increased during last months in some Latin American countries.

Demonstrations rose in Colombia during last month and continued in Chile.

Middle East protests continued in November with escalation.

Iraqi Prime Minister resigned. Lebanese political noise increased.

Western leaders will meet in NATO Summit in London.

NATO defense spending increased Secretary General said.

Pro-democracy supporters won victory in local elections in Hong Kong.

U.S. also stepped in with serious resolutions to support protestors.

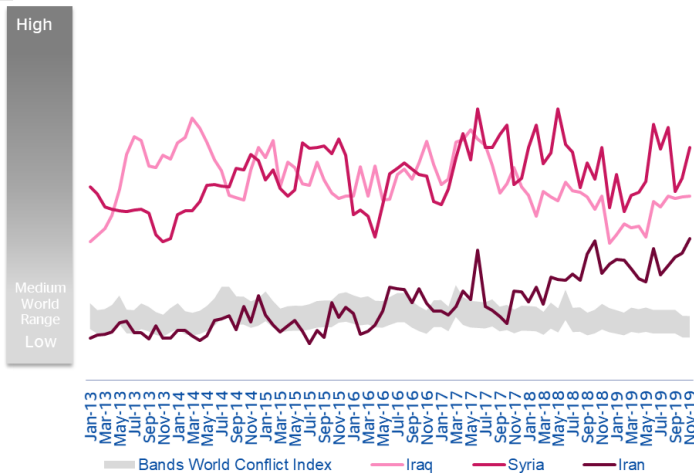
The BBVA Research World Conflict Intensity Index¹ decreased slightly during November. The main developments during the month were:

- Massive protests has been shaking Latin America in recent months. The rise of social unrest has generated **widespread demonstrations in countries such as Chile, Colombia, Bolivia and Ecuador**. The lack of connection between political parties and citizens, the lower growth in recent years compared to the high rates reached during the commodity boom at the beginning of this century, the lower quality of public services and, mainly, the high economic inequality are the main drivers of this rise of social unrest in the region.
- Amid widespread demonstrations, Iraqi Prime Minister Adil Abdul-Mahdi submitted his resignation to Iraqi parliament.** 408 protestors have been shot dead across Iraq in widespread protests since October. This anti-government protests aim to fight against corruption, unemployment and lack of public services. Meanwhile, **Lebanese Prime Minister Hariri who had resigned** after the protests erupted on October said he would not seek premiership in the new government. In Israel, the leader of Blue and White Party Benny Gantz said he was abandoning his bid to form a coalition government, which could pave way to new elections in 2020. After Israel's attorney general announced indictments against Prime Minister Netanyahu over corruption allegations, Israel's Likud party has agreed to hold a leadership vote in the coming weeks. In the meantime, **protests erupted in Iran in around 100 cities and towns** beginning in November 15, after government raised minimum gasoline prices by 50%. Iranian interior ministry said some 200,000 people participated in protests. **Libya's internationally recognized government and Turkey have signed an agreement on maritime boundaries in the Mediterranean Sea.** Libya's neighbour Egypt dismissed the deal as "illegal".
- The United Kingdom will host the next NATO summit on December 3-4. NATO Secretary General Stoltenberg said in 2019 defence spending across European Allies and Canada increased by 4.6% in real terms — making it the fifth consecutive year of growth.** Meanwhile, CNN reported that the U.S. administration would cut its contribution to NATO's collective budget to 16% from 22%. Officials said that other NATO members are expected to make up the shortfall.

1: Further details about the methodology can be found in the appendix.

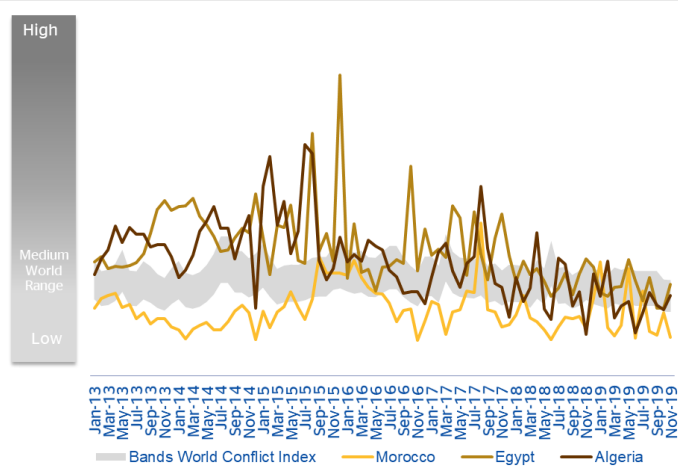
- **British Prime Minister Boris Johnson** has announced the Conservative party manifesto for the December 12 general elections. He **promised to hold a vote in the House of Commons on the Withdrawal Agreement Bill just after the elections** to ensure an orderly Brexit on January 31, 2020.
- **President Trump passed legislation that authorizes sanctions on Chinese and Hong Kong officials responsible for human rights abuses in Hong Kong.** The Chinese Foreign Ministry said the bill "seriously interfered with Hong Kong affairs and seriously interfered with China's internal affairs." President Trump also signed another bill that bans the sale of crowd-control munitions to Hong Kong police. Meanwhile, **in the local elections more than half of the 452 seats in the district council swung from pro-Beijing groups to pro-democracy candidates.** Furthermore, voter turnout (71%) was the highest since Hong Kong began holding district council elections in 1999. On November 29, the Hong Kong police ended their blockade of a university campus after surrounding it for 12 days, which garnered international attention. **The United States and South Korea have postponed upcoming military drills as "a good faith effort"** to encourage renewed negotiations with North Korea. **In addition, it was reported that China is unwilling to commit itself to a specific number of agricultural purchases** as part of a potential trade deal, signalling that the process still has some difficulties. Meanwhile, **President Trump is expected to announce another six-month delay in tariffs on European auto imports.**

Figure 2. **BBVA RESEARCH MIDDLE EAST CONFLICT INTENSITY INDEX 2013 – NOVEMBER 19** (number of conflicts / total events)



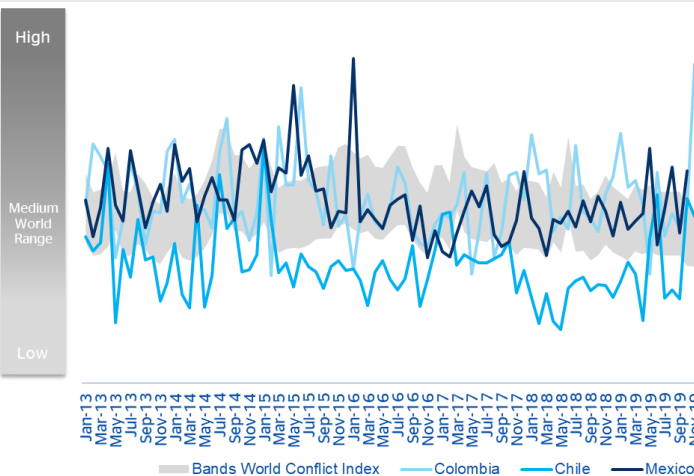
Source: www.dgelt.org & BBVA Research

Figure 3. **BBVA RESEARCH NORTH AFRICA CONFLICT INTENSITY INDEX 13 – NOV 19** (number of conflicts / total events)



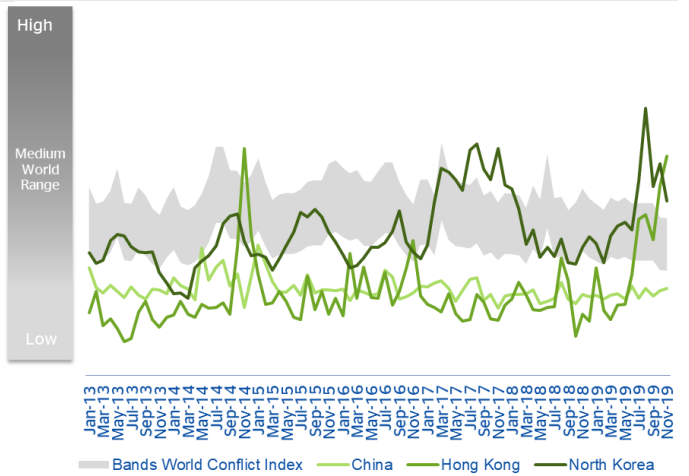
Source: www.dgelt.org & BBVA Research

Figure 4. **BBVA RESEARCH SOUTH AMERICA CONFLICT INTENSITY INDEX 2013 – NOVEMBER 19** (number of conflicts / total events)



Source: www.dgelt.org & BBVA Research

Figure 5. **BBVA RESEARCH ASIA CONFLICT INTENSITY INDEX 2013 – NOVEMBER 19** (number of conflicts / total events)

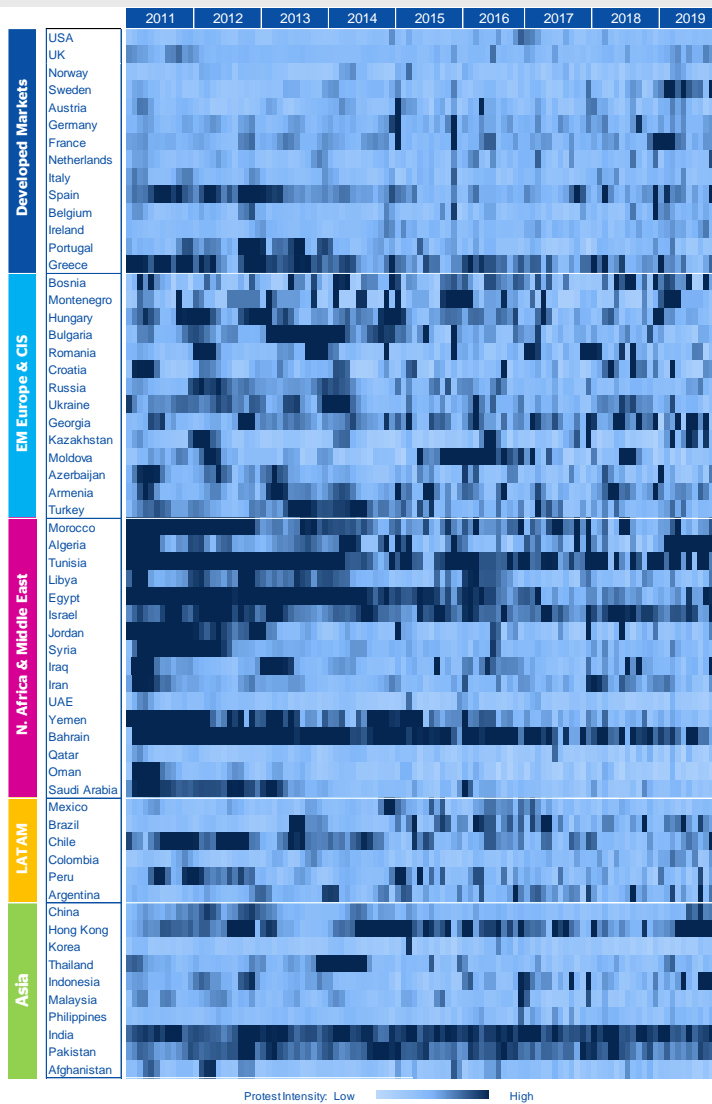


Source: www.dgelt.org & BBVA Research

Social unrest increased globally during November

The World Protest Intensity Index² increased in November (as shown by our BBVA Research World Protest Intensity Index). According to the BBVA Research World Protest Intensity Map, the key facts were:

Figure 6. **BBVA RESEARCH WORLD PROTEST INTENSITY MAP JAN 2011 – NOVEMBER 2019** (number of protests / total events)



Source: www.dgelt.org & BBVA Research

- In regional terms, levels of social unrest remained high in North Africa, the Middle East and recently in Latin American countries. In Asian countries remained at similar levels, despite some hot spots. Instability increased in some European developed and emerging countries.
- In Europe, France saw unrest return on the first anniversary of the "yellow vests" movement where more than one hundred people were arrested. In Greece police clashed with students due to the abolition of academic sanctuary and the university shutdown. In Spain, Catalan independence protests intensified with the Felipe VI's visit to Barcelona.
- In Emerging Europe, Hungary saw teachers calling for a demonstration to claim better salaries and working conditions. In Romania, thousands marched against illegal logging, triggered by the death of two forest rangers. In Georgia, thousands have demanded a reform of the electoral system to ensure proportional representation.
- In North Africa and the Middle East, Algeria, saw large-scale protests calling for early reforms continue, despite the election campaign being underway. In Iraq, the social conflict continued and anti-Iranian sentiment grows among the demonstrators. In Iran, social tension grew over a cut in fuel subsidies, triggering deadly mass demonstrations and a shutdown of the Internet.
- In Latin America, Chile continued to suffer violent protests despite the announcement of a plan to draft a new constitution, accompanied by a negative market reaction. In Colombia, recent events have aggravated the public anger which led to a national strike.
- In Asia, district council elections in Hong Kong highlight support for protest movement that could easily reignite. In India, a court ruling fuels social tensions over lifting ban on women entering a temple in the south of the country.

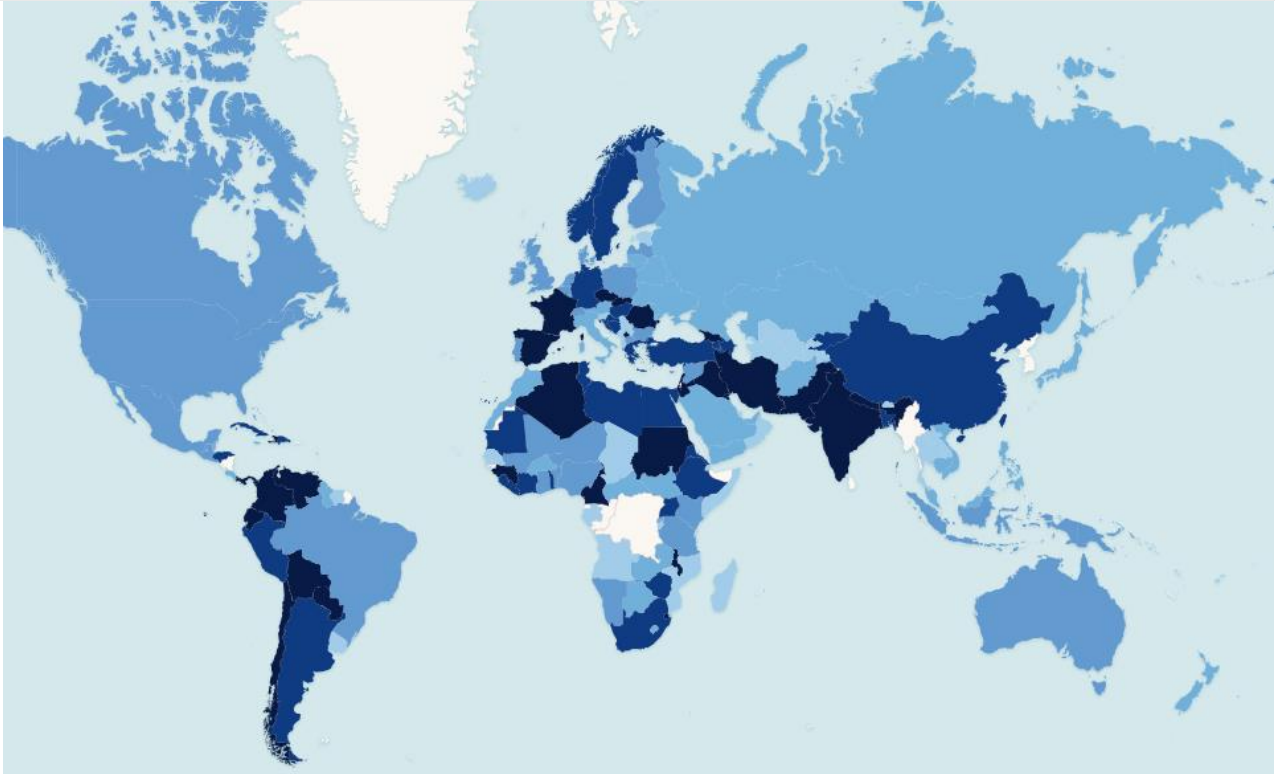
Summary

Widespread protests in Latin America region, especially in Chile, Colombia, Bolivia during the last month, as well as in Middle East in Iraq, Lebanon and Iran, fuelled political instability and fears of possible contagion effects in the regions. Social unrest increased uncertainties in the regions and it should be closely monitored in the last month of the year. Meanwhile, at the beginning of December NATO leaders will meet to discuss geopolitical issues. U.K. general elections (December) near which could set the fate of the Brexit. The United States decided to involve further into Hong Kong protests to support pro-democracy protestors. This created some noise between Beijing and Washington.

²: Further details about the methodology can be found in the appendix.

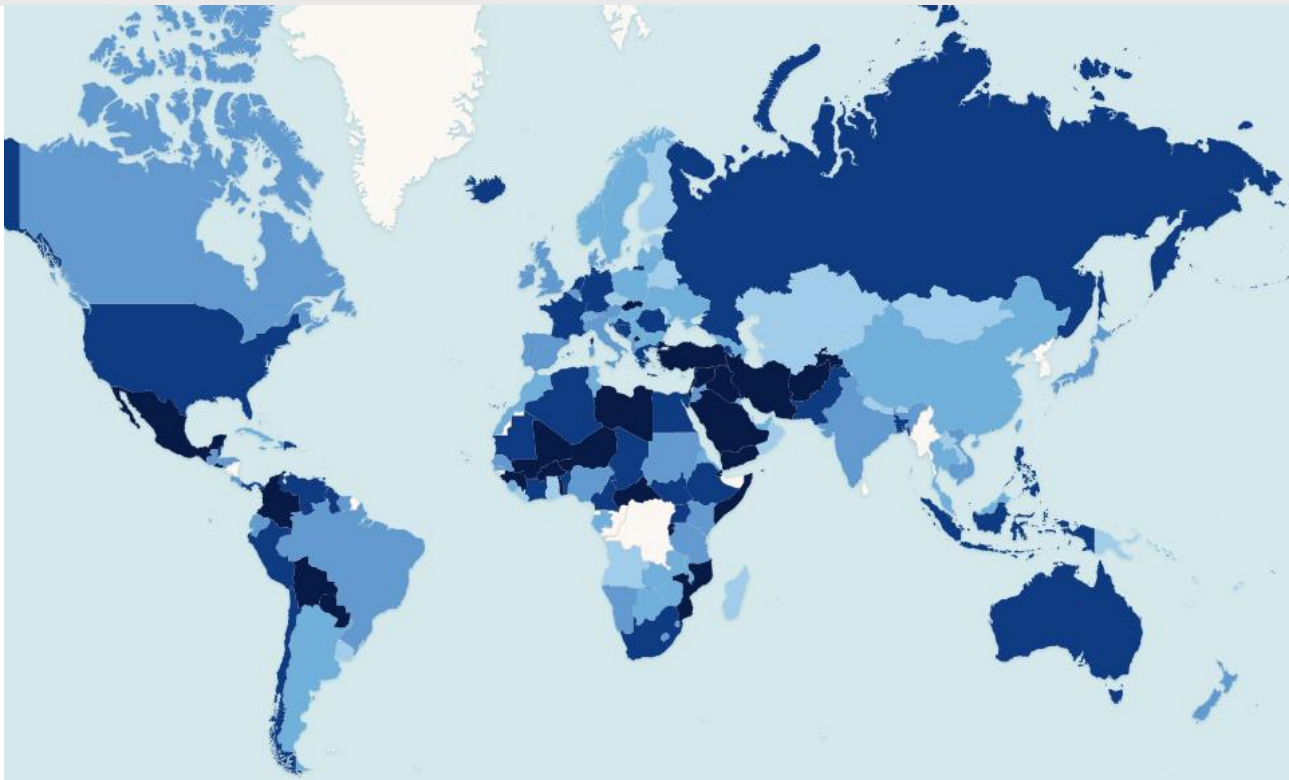
Appendix

Figure 7. **BBVA RESEARCH WORLD PROTEST MAP NOVEMBER 2019** (number of protest events / total events by country. darker colors indicate higher values on the index.)



Source: BBVA Research and www.gdelt.org

Figure 8. **BBVA RESEARCH WORLD CONFLICT MAP NOVEMBER 2019** (number of conflict events / total events by country. Darker colors indicate higher values on the index.)



Source: BBVA Research and www.gdelt.org

METHODOLOGY: TRACKING PROTESTS AND CONFLICTS

We have developed a methodology for tracking protest and conflict indexes for every country in the world from January 1, 1979 through to the present day, with daily, monthly, quarterly and annual frequencies. To construct this, we used a rich global database of international events (**GDELT**), which monitors world events covered by news media from nearly every corner of the world, whether it is broadcast, printed or published on the web, in over 100 languages, every moment of every day and updated every 15 minutes.

- **BBVA Protest Intensity Index:** We collect information on every registered protest in the world for a particular time, which are then separately collated under the various headings of the **CAMEO framework** as: demonstration or rally, demonstration for leadership change, demonstration for policy change, demonstration for rights, demonstration for change in institutions and regimes, conducting hunger strikes for leadership change, conducting hunger strikes for policy change, conducting hunger strikes for rights, conducting hunger strikes for change in institutions and regimes, conducting previously unspecified hunger strikes, conducting strikes or boycotting for leadership change, conducting strikes or boycotting for policy change, conducting strikes or boycotting for change in institutions and regimes, conducting previously unspecified strikes or boycotting, obstructing passage or blocking, obstructing passage to demand leadership change, obstructing passage to demand policy change, obstructing passage to demand rights, obstructing passage to demand change in institutions and regimes, protesting violently or rioting, engaging in violent protest for leadership change, engaging in violent protest for policy change, engaging in violent protest for rights, engaging in violent protest for change in institutions and regimes, engaging in previously unspecified political dissent.
- **BBVA Conflict Intensity index:** In the same way, we collect information on every registered conflict in the world for a particular time, considering a **wide variety of conflicts under the CAMEO taxonomy headings** as: imposing restrictions on political freedoms, banning political parties or politicians, imposing a curfew, imposing a state of emergency or martial law, committing suicide, carrying out a suicide bombing, carrying out a car bombing, carrying out a roadside bombing, car bombing or other non-military bombing not specified below, use of a human shield, use of previously unspecified conventional military force, imposing a blockade, restricting movement, occupying territory, fighting with artillery and tanks, employing aerial weapons, violating a ceasefire, engaging in mass expulsion, engaging in mass killings, engaging in ethnic cleansing, using previously unspecified unconventional mass violence, using chemical, biological or radiological weapons, detonating nuclear weapons, using previously unspecified weapons of mass destruction.
- We use this information to construct an intensity index for both events. **The number of protests and conflicts each day/month/quarter/year are divided by the total number of all events recorded by GDELT for that day/month/quarter/year to create a protest and conflict intensity score** that tracks just how prevalent protest and conflict activity has been over the last twenty five years, making corrections for the exponential rise in media coverage over the last 30 years and the imperfect nature in which news is processed by computers.

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